

Message Text

CONFIDENTIAL

PAGE 01 LUSAKA 02126 160752Z

15

ACTION EB-06

INFO OCT-01 AF-04 ISO-00 INT-05 AID-05 CIAE-00 COME-00

FRB-01 INR-05 NSAE-00 RSC-01 TRSE-00 XMB-02 OPIC-06

SP-02 CIEP-01 LAB-01 SIL-01 OMB-01 NSC-05 SS-15

STR-01 CEA-01 L-01 H-01 DRC-01 /067 W

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R 160717Z OCT 74

FM AMEMBASSY LUSAKA

TO SECSTATE WASHDC 811

C O N F I D E N T I A L LUSAKA 2126

EO 11652: GDS

TAGS: EMIN, ZA

SUBJECT: COPPER NEGOTIATIONS

ACTING MANAGING DIRECTOR AMAX IN LUSAKA (HARPER) TOLD US HE HAD JUST RECEIVED A TELEX FROM NEW YORK INFORMING THE COMPANY THAT MINISTER OF MINES AND INDUSTRY ANDREW KASHITA HAD SIGNED AN AD REFERENDUM COMPENSATION AGREEMENT THERE WHEREBY THE GRZ WILL PAY 26 MILLION KWACHA IN QUARTERLY INSTALLMENTS OVER THREE YEARS FOR EARNINGS WHICH COMPANY WOULD HAVE RECEIVED HAD ITS MANAGEMENT AND SALES CONTRACT NOT BEEN CANCELLED IN AUGUST 1973 BY THE GOVERNMENT. HARPER EXPLAINED THAT KASHITA MUST NOW PRESENT THE SETTLEMENT TO THE CABINET AND CONFIRM THE AGREEMENT TO AMAX BY NOV 14. AGREEMENT PROVIDES THAT IF THERE IS NOT CONFIRMATION WITHIN THE TIME LIMIT THE COMPENSATION QUESTION WOULD BE REFERRED TO ARBITRATION, STARTING FROM THE BASE FIGURE NO LOWER THAN THE ORIGINAL OFFER OF 22 MILLION KWACHA AND WITH AMAX NATURALLY HOPING FOR A HIGHER AWARD BY THE ARBITRATION COURT. AGREEMENT PROVIDES FOR EFFECT RETROACTIVE TO AUG 1, 1974, TO COINCIDE WITH ANGLO-AMERICAN COMPENSATION AGREEMENT OF THAT DATE WITH THE GRZ.

WILKOWSKI

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Message Attributes

Automatic Decaptioning: X
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Current Classification: UNCLASSIFIED
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Draft Date: 16 OCT 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: shawdg
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Review Comment: n/a
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Subject: COPPER NEGOTIATIONS ACTING MANAGING DIRECTOR AMAX IN LUSAKA (HARPER) TOLD US
TAGS: EMIN, ZA
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